



**FILED**

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking Into  
Implementation of Federal Communications  
Commission Report and Order 04-87, As It  
Affects The Universal Lifeline Telephone Service  
Program.

Rulemaking 04-12-001  
(Filed December 2, 2004)

**ASSIGNED COMMISSIONER'S RULING CLARIFYING THE  
FEBRUARY 28, 2007 ASSIGNED COMMISSIONER'S RULING**

**Summary**

This Assigned Commissioner's Ruling (ACR) clarifies that Decision (D.) 06-07-017 suspended only the verification process, not the certification process, of the California LifeLine Program (LifeLine).<sup>1</sup> This ACR also clarifies paragraphs seven and eight of the February 28, 2007 ACR (February ACR). Finally, this Ruling directs Pacific Bell Telephone Company dba AT&T California (AT&T) to immediately comply with paragraphs seven and eight of the February ACR as clarified herein.

**Background**

On July 1, 2006, the Commission implemented D.05-04-026, the adoption of a program of income certification and annual verification, as required by the Federal Communications Commission's (FCC) (April 29, 2004) Lifeline Order. The new verification process resulted in a low response rate during August and

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<sup>1</sup> "Universal Lifeline Telephone Service, established by the Moore Universal Services Telephone Act, AB 1348, Ch. 1143, Stats. 1983, Calif. Pub. Util. Code Section 871 et seq., as amended, is frequently referred to as California LifeLine or LifeLine."

September 2006. On November 1, 2006, I issued an ACR suspending the verification process for six months to allow staff to analyze the reasons for the low response rate and determine a solution.<sup>2</sup>

In February, staff notified me that AT&T and Verizon were not complying with portions of General Order (GO) 153, Section 4.2 and D.06-11-017.

Customers complained to the Commission that neither AT&T nor Verizon call center representatives were providing complete nor accurate LifeLine information at all times. Staff also reported that AT&T was charging a conversion charge to those customers denied LifeLine services through the certification process.<sup>3</sup> On February 28, 2007, I issued another ruling directing AT&T and Verizon to immediately comply with D.06-11-017 and GO 153 Sections 4.2 and 5.4.4.

On March 2, 2007, AT&T filed a Motion for Clarification of the February 28, 2007 ACR and Setting Follow-Up Actions (AT&T's Motion for Clarification). On March 26, 2007, AT&T withdrew part of its Motion for Clarification regarding the language and applicability of GO 153 Section 5.4.4 conversion charges set forth on pages 3-6 of its March 2, 2007 Motion for Clarification.

### **AT&T's Motion and Commission Clarification**

Now, with the withdrawal of part of its Motion, we address the remaining two issues set forth in AT&T's Motion for Clarification: (1) Did D.06-11-017

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<sup>2</sup> The Commission approved D.06-11-017 ratifying the November 1, 2006 ACR.

<sup>3</sup> Also at issue were concerns that AT&T and Verizon continued to bill customers for the service conversion charge in Section 8.1.3 of this Commission's GO 153, despite the six-month suspension of these charges in D.06-11-017. As of the date of this ACR, AT&T and Verizon have both reported full compliance with regard to suspension of GO 153, Section 8.1.3.

suspend the Section 8.1.3 conversion charge for all customers; and (2) Explain the differences between paragraphs 7 and 8 of the February ACR.

**GO 153 Section 8.1.3 Suspension**

The February 28, 2007 ACR did not change the Section 8.1.3 suspension set forth in D.06-11-017. That decision states as follows:

“Customers were mailed annual verification notices from the period of July 1, 2006 up until the time the ACR was issued, November 1, 2006. Any customer who did not respond or responded late will be reinstated to the program.”

(D.06-11-017 at 2.) “Therefore, we suspend Section 8.1.3 of the G.O., only as it relates to this group.” (D.06-11-017 at 4.)

**Clarification of ACR Paragraphs 7 and 8**

AT&T seeks clarification of Paragraphs 7 and 8 of the February ACR.<sup>4</sup>

AT&T states it is unclear as to how these two paragraphs differ in meaning.

Paragraphs 7 and 8 state:

7. All customers deemed ineligible under the current Lifeline certification process shall be held harmless from the imposition of all charges that would otherwise not accrue pursuant to GO 153 Section 5.4.4.
8. All customers deemed ineligible under the current Lifeline certification process should not be subject to charges beyond those specified in GO 153 Section 5.4.4.

The February ACR discussed two sets of affected customers. One set refers to those customers first disqualified for a late response or failure to respond during the verification process and later re-enrolled through the

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<sup>4</sup> AT&T's Motion at Section II.C.

certification process<sup>5</sup> (Paragraph 7). A second set of customers refers to those customers deemed ineligible within the certification process (Paragraph 8).

Paragraphs 7 and 8 are clarified as follows:

7. All customers under the current Lifeline certification process that were in fact disqualified under the verification process due to a late response or failure to respond shall be held harmless from the imposition of all additional charges and placed back on the LifeLine program until such time the verification process is reinstated.
8. All customers deemed ineligible under the current Lifeline certification process should not be subject to charges beyond those specified in GO 153 Section 5.4.4.

Although AT&T no longer seeks clarification regarding the imposition of conversion charges pursuant to Section 5.4.4, it is prudent to address this issue in order to remove any doubt. GO 153 Section 5.4.4 prohibits the imposition of a conversion charge on customers that are deemed ineligible to participate in the Lifeline program during the certification process. D.05-12-013, in relevant part, states, "...customers removed from the program [at certification phase] are not disconnected, but simply regarded [from Lifeline] to regular service." (D.05-12-013 at p. 25.) "We note that carriers may not assess service conversion charges as Surewest and the Small LECs propose." (Id.) Since the current Section 5.4.4 was established by the Commission in D.05-12-013, it is clear that the intent of the Commission was to prohibit conversion charges.

**IT IS RULED** that:

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<sup>5</sup> Since the date of the February ACR, AT&T has reported full compliance regarding this set of customers.

1. Commission Decision 06-11-017 suspended only the verification process of the LifeLine program, not the certification process.
2. Paragraphs 7 and 8 of the February 28, 2007 Assigned Commissioner's Ruling are clarified as stated in this Ruling.
3. Carriers shall comply with the clarified Paragraphs 7 and 8 as set forth in this Ruling.
4. In compliance with this Ruling, all customer bill adjustments shall be made from July 1, 2006, (the effective date of General Order 153, Section 5.4.4).
5. Carriers shall provide the Commission a timeline by which aforementioned affected customers shall receive appropriate bill adjustments as outlined in ruling Paragraph 4 above.

Dated March 28, 2007, at San Francisco, California.

/s/ DIAN M. GRUENEICH

Dian M. Grueneich  
Assigned Commissioner

### **INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a copy of the Notice of Availability to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the copy of the Notice of Availability is current as of today's date.

Dated March 28, 2007, at San Francisco, California.

/s/ KRIS KELLER

Kris Keller